GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:260
ANSWERED ON:18.02.2009
REWARD TO INFORMANTS
Bhargav Shri Girdhari Lal

Will the Minister of FINANCE be pleased to state:

(a) whether rewards payable to informants of income Tax evasion are within the administrative powers of the Income Tax Department;

(b) if so, the details of the efforts made to hasten the process of payments to informants by the Government;

(c) whether the ombudsman is not allowed to look into such payments to informants;

(d) if so, the reasons therefor; and

(e) steps taken by the Government to release outstanding payment to the informants?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) The Income Tax Department considers cases of informants for payment of reward whenever action is taken in pursuance to the information furnished by the informants result in recovery of additional taxes directly attributable to the information furnished.

(b) To hasten the process of payments of rewards to informants,the Central Board of Direct Taxes has delegated the power of sanctioning reward to informants in eligible cases to CIT/DIT/Local Committee consisting of DGIT(Inv.), CCIT(CCA) and CIT/DIT(Inv.) concerned upto the prescribed limit.

(c) & (d) As per the Income Tax Ombudsman Guidelines, 2006, the Ombudsman has the power to receive complaints from tax payers1 and suggest remedial measures for redressal of tax payers` grievances. Reward being an ex-gratia payment does not come under the purview of Tax Payers` grievances.

(e) Once reward amount is determined by the competent authority; steps are taken for drawing the bills on the treasury for release of the amount.